

Irrigation and M&I
Contract No. I1r-1460A

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Friant Division, Central Valley Project, California

AGREEMENT FOR PARTIAL ASSIGNMENT OF
SOUTHERN SAN JOAQUIN MUNICIPAL UTILITY DISTRICT
WATER SERVICE AND FACILITIES
REPAYMENT CONTRACT TO
KERN-TULARE WATER DISTRICT

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8 REPAYMENT CONTRACT TO
9 KERN-TULARE WATER DISTRICT

10 THIS AGREEMENT, made this 25 day of May, 2012, is
11 entered into by and among the UNITED STATES OF AMERICA, hereinafter referred to as the
12 "United States", through the United States Bureau of Reclamation ("Reclamation"); Southern
13 San Joaquin Municipal Utility District, hereinafter referred to as "Southern San Joaquin", and
14 Kern-Tulare Water District, hereinafter referred to as "Kern-Tulare", both public agencies of the
15 State of California, duly organized, existing, and acting pursuant to the laws thereof, with its
16 principal place of business in California. Southern San Joaquin, Kern-Tulare, and Reclamation
17 may sometimes be collectively referred to herein as the "Parties" and individually as a "Party".

18 WITNESSETH, That:

19 EXPLANATORY RECITALS

20 A. On October 18, 1945, the United States and Southern San Joaquin entered into
21 Contract No. 11r-1460, providing for the annual delivery to Southern San Joaquin of up to
22 97,000 acre-feet of Class 1 water and 50,000 acre-feet of Class 2 water from the Friant Division
23 of the Central Valley Project (Project) through February 28, 1991.

24 B. The United States and Southern San Joaquin entered into a renewal contract and,
25 pursuant to subsection 3404(c)(1) of the Central Valley Project Improvement Act, entered into
26 interim renewal contracts, identified as Contract Nos. 11r-1460R and 11r-1460-IR1, which

provided for the continued water service to Southern San Joaquin from March 1, 1991 through February 28, 2001.

C. Subsequently, the United States and Southern San Joaquin entered into a long-term renewal contract identified as Contract No. I1r-1460-LTR1, which provided for continued water service to Southern San Joaquin through February 28, 2026, which was amended January 18, 2007.

D. On November 24, 2010, the United States and Southern San Joaquin entered into Repayment Contract No. I1r-1460D, providing for continued water service and facilities repayment. Hereinafter, Southern San Joaquin's Repayment Contract, as it may be modified from time to time in accordance with law, and as supplemented herein, will be referred to as the "Existing Contract".

E. On December 7, 2010, Southern San Joaquin remitted to the United States \$21,177,438.76, representing payment in full of the Repayment Obligation, as that term is used in the Existing Contract. With the payment of the Repayment Obligation and in accordance with subdivision (b) of Article 2 of the Existing Contract, Exhibit E, attached to the Existing Contract, became the entire agreement between Southern San Joaquin and Reclamation and the tiered pricing component and the acreage limitations, reporting, and full cost pricing provisions of the Reclamation Reform Act of 1982 were no longer applicable to Southern San Joaquin.

F. On November 30, 1976, the United States, the Department of Water Resources, and Kern-Tulare entered into Contract No. 14-06-200-8601A, providing for the annual delivery to Kern-Tulare of up to 40,000 acre-feet of Project Water from the Project through February 29, 1996.

49 G. The United States, the Department of Water Resources, and Kern-Tulare
50 subsequently entered into a series of interim renewal contracts identified as Contract
51 Nos. 14-06-200-8601A-IR1 through IR14, which provide for continued water service to
52 Kern-Tulare through February 28, 2014.

53 H. Effective January 1, 2009, Kern-Tulare entered into an Agreement for
54 Assignment of Rag Gulch Water District's Water Service Contract No. 14-06-200-8367A-IR12A
55 with the United States for the assignment of Rag Gulch Water District's 13,300 acre-feet of
56 Project Water from the Project through February 28, 2010.

57 I. The United States, the Department of Water Resources, and Kern-Tulare
58 subsequently entered into a series of interim renewal contracts identified as Contract
59 No. 14-06-200-8367A-IR13A and Contract No. 14-06-200-8367A-IR14A, which provide for
60 continued water service to Kern-Tulare through February 28, 2014.

61 J. Southern San Joaquin has requested that Reclamation approve a partial
62 assignment of the Existing Contract to Kern-Tulare to provide an additional source of Project
63 Water, as that term is used in the Existing Contract, hereinafter referred to as "Project Water",
64 to Kern-Tulare.

65 K. Article 32 of the Existing Contract provides for assignment of the Existing
66 Contract, or any interest therein, with the written approval of the Contracting Officer acting on
67 behalf of the United States.

68 L. Southern San Joaquin intends to hereby assign a portion of the Existing Contract
69 to Kern-Tulare in exchange for monetary consideration. Southern San Joaquin and Kern-Tulare

now wish to secure Reclamation's approval of the assignment of a portion of the Project Water referenced in the Existing Contract to Kern-Tulare.

M. Upon the effective date of this Agreement, Southern San Joaquin's partial assignment to Kern-Tulare will be final and Kern-Tulare will accept and be fully responsible for all rights and obligations of a Contractor, as that term is used under the Existing Contract, with respect to Five Thousand (5,000) acre-feet of Class 2 Project Water (hereinafter referred to as the "Assigned Project Water".)

N. Southern San Joaquin and Kern-Tulare will comply with all applicable Federal, state and local laws, rules and ordinances that apply to this Agreement.

O. The Parties to this Agreement each have complied with all environmental and other laws applicable to their respective approval and implementation of this Agreement, including but not limited to, the National Environmental Policy Act, the California Environmental Quality Act, Reclamation Law, and the Federal Endangered Species Act.

IT IS THEREFORE AGREED AMONG THE PARTIES:

TERMS AND CONDITIONS

1. (a) Upon the effective date of this Agreement, the assignment to Kern-Tulare of Southern San Joaquin's rights to the Assigned Project Water will be complete and Kern-Tulare acknowledges and accepts the obligation to pay its proportionate share of the Additional Capital Obligation, as that term is used in the Existing Contract. Kern-Tulare will, commencing on the effective date of this Agreement, assume all rights, duties, and interests of a Contractor, as that term is used in the Existing Contract, as they apply to the Assigned Project Water, separately from Southern San Joaquin. Kern-Tulare accepts all obligations, terms and

conditions with respect to the Existing Contract applicable to the Contractor, as that term is used under the Existing Contract, as they apply to the Assigned Project Water. This Agreement shall not constitute an amendment or modification of the terms, conditions, obligations, and duties in the Existing Contract.

(b) Reclamation's approval of this Agreement shall not constitute a release by Reclamation of Southern San Joaquin from any of its duties and obligations under the Existing Contract as to all Project Water other than the Assigned Project Water. Reclamation will consider Kern-Tulare separately from Southern San Joaquin as a Contractor, as that term is used under the Existing Contract, and as to those quantities assigned hereby will hold Kern-Tulare responsible for compliance with the terms and conditions of the Existing Contract in connection within the Assigned Project Water.

PAYMENT OF EXISTING OPERATION AND MAINTENANCE DEFICITS

2. (a) Prior to the effective date of this Agreement, Southern San Joaquin shall have paid in full to the United States any operation and maintenance deficit that may be owed by Southern San Joaquin to the United States as a result of the previous delivery of the Assigned Project Water to Southern San Joaquin pursuant to the Existing Contract.

(b) Reclamation acknowledges and agrees that, upon the satisfaction of subdivision (a) above, no operation and maintenance deficit is owed by Southern San Joaquin to the United States as a result of the delivery of the Project Water as of September 30, 2010. However, if Reclamation determines there is any additional amount owed or at any time needs to make an adjustment to its past water contractor accountings, resulting in an amount that is outstanding or overpaid as a result of delivery of Project Water to Southern San Joaquin,

including Restoration Fund charges, such amount or adjustment shall be owed by Southern San Joaquin if outstanding, or credited or refunded to Southern San Joaquin if overpaid.

CONTRACTOR SERVICE AREA AND POINTS OF DIVERSION

3. Consistent with the Existing Contract, on or after the effective date of this Agreement, the Assigned Project Water will be delivered to Kern-Tulare's service area as shown on Exhibit A attached to this Agreement. Kern-Tulare will divert the Assigned Project Water from existing points of diversion located on the Friant-Kern Canal, or other points approved in writing by Reclamation.

RESERVATION OF INTEREST

4. (a) Upon full execution of this Agreement, Kern-Tulare shall be the Contractor under the Existing Contract as to the Assigned Project Water, and Southern San Joaquin shall continue to be the Contractor under the Existing Contract for all Project Water other than the Assigned Project Water.

(b) Any breach or default by Kern-Tulare of any obligation with respect to the Assigned Project Water shall not affect the rights, duties, obligations, and interests of the Southern San Joaquin with respect to the Existing Contract, and shall not constitute a breach or default of Southern San Joaquin with respect to the balance of Project Water under the Existing Contract.

(c) In the event of termination of this Agreement, Southern San Joaquin hereby retains a right of reverter, as described below in this subdivision, to all of the Contractor's rights and obligations under the Existing Contract to the full contractual quantities set forth in Article 3 of the Existing Contract. The Parties agree that in the event that this Agreement is

terminated and provided that any curable breaches by Kern-Tulare, as determined by the Contracting Officer, existing at the time of termination of this Agreement are cured within a reasonable time by Southern San Joaquin, then Southern San Joaquin's rights and obligations related to all contract quantities specified in Article 3 of the Existing Contract shall fully revert to Southern San Joaquin. Kern-Tulare's rights and obligations related to the Assigned Project Water as established by this Agreement shall terminate, as of the date of such reversion.

WATER RATES AND CHARGES

5. The Assigned Project Water shall be subject to the applicable Rates and Charges as shown in Exhibit B, attached to this Agreement, which shall be subject to annual adjustment as provided in subdivision (c) of Article 7 in the Existing Contract, and crediting determined annually in accordance with Federal law, associated regulations and the then-existing Central Valley Project Ratesetting policies. Kern-Tulare shall submit to Reclamation water delivery schedules as required by the Existing Contract, as may be amended. Upon the effective date of this Agreement, all historic, present, and future costs and credits accrued under the Existing Contract, that relates to the Assigned Project Water, will be recognized and established under separate financial accountings for Kern-Tulare.

RECOVERED WATER ACCOUNT

6. On the effective date of this Agreement, Kern-Tulare will be entitled to a proportionate share of any subsequent Recovered Water Account credits made available by the United States pursuant to the Existing Contract. The manner in which the Recovered Water Account will be administered will be developed in accordance with subdivision (k) of Article 7

of the Existing Contract, the San Joaquin River Restoration Settlement Act, and Paragraph 16 of the Stipulation of Settlement.

FRIANT SURCHARGE REDUCTION
CALCULATIONS – EXHIBITS C-1 AND C-2

7. Kern-Tulare's applicable reduction of the Friant Surcharge and other values, as set forth in subdivision (c) of Article 7 in the Existing Contract, are reflected in Exhibit C-1 attached to this Agreement. Southern San Joaquin's applicable reduction of the Friant Surcharge and other values, as set forth in subdivision (c) of Article 7 in the Existing Contract, are reflected in Exhibit C-2 attached to this Agreement.

APPLICABILITY OF THE RECLAMATION REFORM ACT OF 1982

8. The acreage limitations, reporting, and Full Cost pricing provisions of the Reclamation Reform Act of 1982 (96 Stat. 1293), hereinafter referred to as "RRA", shall no longer apply to lands in Kern-Tulare's Service Area with respect to the Assigned Project Water pursuant to this Agreement. Kern-Tulare is currently subject to the acreage limitations, reporting, and Full-Cost pricing provisions of the RRA, through separate contracts, other than this Agreement. The terms and conditions in such other contracts shall continue to apply, and if such terms and conditions so require, the lands to receive Project Water under such other contracts shall be properly designated by Kern-Tulare and such Project Water is to be delivered in accordance with the RRA including any applicable acreage limitations, reporting, and Full Cost pricing provisions.

TERMINATION CLAUSE

9. This Agreement shall become effective on the date referenced in Article 14 and shall continue so long as Kern-Tulare is complying with the terms and conditions of the Existing Contract, making the annual payments required and paying any other amounts owing under the Existing Contract, this Agreement and applicable law, as they apply to the Assigned Project Water, unless it is terminated by the Contracting Officer by reason of a material uncured breach by Kern-Tulare; *Provided*, That the Contracting Officer shall not seek to terminate this Agreement by reason of an asserted material uncured breach by Kern-Tulare unless it has first provided at least sixty (60) days written notice of the asserted breach to Kern-Tulare and Kern-Tulare has failed to cure such breach (or to diligently commence curative actions satisfactory to the Contracting Officer for a breach that cannot be fully cured within sixty (60) days) within the sixty (60) day notice period; *Provided further*, That this Agreement may be terminated at any time by mutual consent of the Parties hereto. If this Agreement is terminated pursuant to this Article 9, the provisions of subdivision (c) of Article 4 shall apply.

UNITED STATES APPROVAL

10. The United States hereby approves this Agreement, accepts the assignment contemplated hereby and accepts Kern-Tulare as a Contractor, as that term is used in the Existing Contract, and finds that no further action by the United States is necessary to put this Agreement into effect.

AGREEMENT DRAFTING CONSIDERATION

11. Articles 1 through 10 and 14 of this Agreement have been drafted, negotiated, and reviewed by the Parties hereto, each of whom is sophisticated in the matters to which this Agreement pertains, and no one Party shall be considered to have drafted the stated articles.

ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

12. The provisions of this contract shall apply to and bind the successors and assigns of the Parties hereto, but no assignment or transfer of this contract or any right or interest therein by either party shall be valid until approved in writing by the other party.

NOTICES

13. Any notice, demand, or request authorized or required by this contract shall be deemed to have been given, on behalf of Kern-Tulare and Southern San Joaquin, when mailed, postage prepaid, or delivered to the Area Manager, South-Central California Area Office, Bureau of Reclamation, 1243 "N" Street, Fresno, California 93721, and on behalf of the United States, when mailed, postage prepaid, or delivered to the Board of Directors of Kern-Tulare, 5001 California Avenue, Suite 202, Bakersfield, California 93309 and the Board of Directors of Southern San Joaquin, Post Office Box 279, Delano, California 93216. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

EFFECTIVE DATE

14. The effective date of this Agreement shall be March 1, 2012; *Provided*, it is fully executed by all the Parties.

217 IN WITNESS WHEREOF, the Parties have executed this Agreement as of the
218 day and year first above written.

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220

SOUTHERN SAN JOAQUIN MUNICIPAL
UTILITY DISTRICT

221
222
223



By 
President, Board of Directors

224
225

By 
Secretary, Board of Directors

226

KERN-TULARE WATER DISTRICT

227
228

(Seal)

By 
President, Board of Directors

229
230

By 
Secretary, Board of Directors

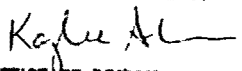
231 The foregoing Agreement for Partial Assignment of the Existing Contract and the terms
232 detailed above are hereby approved and accepted by the United States of America.

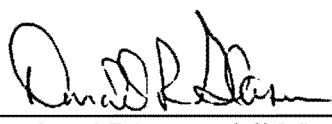
233

THE UNITED STATES OF AMERICA

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APPROVED AS TO LEGAL
FORM AND SUFFICIENCY


OFFICE OF REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR

By 
Regional Director, Mid-Pacific Region
Bureau of Reclamation

**BEFORE THE BOARD OF DIRECTORS OF THE
SOUTHERN SAN JOAQUIN MUNICIPAL UTILITY DISTRICT**

IN THE MATTER OF:

RESOLUTION NO. 12-08

**AUTHORIZING EXECUTION OF AGREEMENT FOR PARTIAL ASSIGNMENT OF
SOUTHERN SAN JOAQUIN MUNICIPAL UTILITY DISTRICT WATER SERVICE AND
FACILITIES REPAYMENT CONTRACT TO KERN-TULARE WATER DISTRICT**

WHEREAS, the Southern San Joaquin Municipal Utility District ("SSJMUD") and Kern-Tulare Water District ("KTWD") negotiated an agreement to assign 5,000 acre feet of SSJMUD Class 2 contract water as provided for in Water Service Contract No. I1r-1460D and assign same to KTWD; and

WHEREAS, SSJMUD's attorney has met with the SSJMUD Board of Directors to review and approve the form of contract; and

WHEREAS, the United States Department of Interior Bureau of Reclamation has approved the form of contract.

NOW, THEREFORE BE IT RESOLVED by this Board of Directors as follows:

1. The foregoing recitals are true and correct.
2. The Board of Directors approves the form of contract.
3. The President and Secretary are authorized to execute the Agreement for partial assignment of its Water Service Contract to Kern-Tulare Water District.

ALL THE FOREGOING, being on motion of Director Dulcich and seconded by Director Zaninovich, was authorized by the following vote:

AYES: Fisher, Dulcich, Regan, Zaninovich and Morris

NOES: None

ABSENT: None

ABSTAIN: None

I HEREBY CERTIFY that I am the Secretary of SOUTHERN SAN JOAQUIN MUNICIPAL UTILITY DISTRICT and that the foregoing resolution was adopted by the Board of Directors of said District at a meeting held on the 11th day of April 2012, at which meeting a quorum was present at all times and acting.

IN WITNESS WHEREOF, I have set my hand and the seal of said District on this 11th day of April 2012.


WILLIAM R. CARLISLE, Secretary

KERN-TULARE WATER DISTRICT

RESOLUTION NO. 2012-01

**AUTHORIZING EXECUTION OF PARTIAL ASSIGNMENT
AGREEMENT WITH SOUTHERN SAN JOAQUIN MUNICIPAL UTILITY DISTRICT**

WHEREAS, on November 24, 2010, United States Bureau of Reclamation and (Reclamation) and Southern San Joaquin Municipal Utility District entered into a Repayment Contract No. Ilr-14-60D ("9(d) Contract"), providing for a permanent water supply and facilities repayment, and thereafter Southern San Joaquin Municipal Utility District remitted to the United States full payment of the Repayment Obligation as provided under the 9(d) Contract; and

WHEREAS, the District and Southern San Joaquin Municipal Utility District have previously negotiated an agreement providing for permanent assignment of 5,000 af of the Southern San Joaquin Municipal Utility District's Class 2 entitlement under the 9(d) Contract; and

WHEREAS, Article 32 of the 9(d) Contract allows for assignment of all or a portion of the Contract with consent of the Reclamation; and

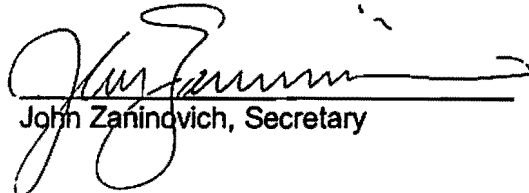
WHEREAS, the Board has reviewed a form of "Agreement for Partial Assignment of Southern San Joaquin Municipal Utility District Water Service and Facilities Repayment Contract to Kern-Tulare Water District" ("Assignment Agreement") and finds that its terms to be satisfactory.

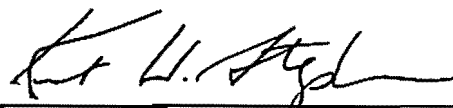
NOW, THEREFORE, BE IT RESOLVED by this Board of Directors of Kern-Tulare Water District as follows:

1. The foregoing recitals and findings are true and correct.
2. The District's President and Secretary are authorized and directed to execute the Assignment Agreement, substantially in the form as presented to the Board this date.
3. The District's staff, officers and counsel are authorized and directed to do all things necessary and appropriate to carry out the foregoing.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Kern-Tulare Water District this 17th day of January, 2012.

ATTEST:


John Zanindovich, Secretary


Kent H. Stephens, President

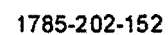


Exhibit B
Contract Year 2012 Rates and Charges
(Kern-Tulare)

	Irrigation Water Class 2	M&I Water ¹
COST-OF-SERVICE RATE		
Capital Component ²		
O&M Components		
Water Marketing	\$6.58	
Storage		
Conveyance ³		
TOTAL COS RATE	\$6.58	
Charges and assessments (Payments in addition to Rates)		
P.L. 102-575 Surcharges		
Restoration Fund Payment	\$9.39	
Friant Surcharge	\$7.00	
P.L. 106-377 Assessment (Trinity Public Utilities District)	\$0.05	
Total Charges and Assessments	\$16.44	

¹ The Contractor has not project any delivery of M&I water for the 2012 contract year. A temporary M&I rate will be applied upon any M&I water delivery.

² Contractor's rate reflects contract has converted to 9(d) pursuant to the San Joaquin River Restoration Settlement Act. As such, all current and future obligations for construction costs will be repaid through a separate repayment agreement.

³ Conveyance and Conveyance Pumping operation and maintenance costs were removed for ratesetting purposes and are to be direct billed.

Additional details of the rate components are available on the Internet at:
<http://www.usbr.gov/mp/cvpwaterrates/ratebooks/index.html>

**Friant Contractor;
San Joaquin River Restoration Act**

Average Annual Delivery - Forecasted for 2020-2039* 700

Irrigation portion of Allocated Capital Cost				CVPIA Friant Surcharges	Reduction in Friant Surcharge			
Year	Beginning Balance	Straight Line Repayment	Surcharge per Acre-Foot Before Reduction	Friant Surcharge Reduction per Article 7(c)(1)	Friant Surcharge due per A/F after Reduction	Projected Total Annual Credit	2020 Other Obligation Credit Calculation (Art. 7(c)(2))	
2011	\$ 242,014	\$ 12,101	\$7.00		\$7.00	0	\$ 7,875.56	
2012	\$ 229,914	\$ 12,101	\$7.00		\$7.00	0	\$ 8,143.33	
2013	\$ 217,813	\$ 12,101	\$7.00		\$7.00	0	\$ 8,420.20	
2014	\$ 205,712	\$ 12,101	\$7.00		\$7.00	0	\$ 8,706.49	
2015	\$ 193,611	\$ 12,101	\$7.00		\$7.00	0	\$ 9,002.51	
2016	\$ 181,511	\$ 12,101	\$7.00		\$7.00	0	\$ 9,308.59	
2017	\$ 169,410	\$ 12,101	\$7.00		\$7.00	0	\$ 9,625.08	
2018	\$ 157,309	\$ 12,101	\$7.00		\$7.00	0	\$ 9,952.34	
2019	\$ 145,209	\$ 12,101	\$7.00		\$7.00	0	\$ 10,290.72	
2020	\$ 133,108	\$ 12,101	\$7.00	(\$3.00)	\$ 4.00	(\$2,100)	\$ 10,640.60	
2021	\$ 121,007	\$ 12,101	\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2022	\$ 108,906	\$ 12,101	\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2023	\$ 96,806	\$ 12,101	\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2024	\$ 84,705	\$ 12,101	\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2025	\$ 72,604	\$ 12,101	\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2026	\$ 60,504	\$ 12,101	\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2027	\$ 48,403	\$ 12,101	\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2028	\$ 36,302	\$ 12,101	\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2029	\$ 24,201	\$ 12,101	\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2030	\$ 12,101	\$ 12,101	\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2031			\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2032			\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2033			\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2034			\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2035			\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2036			\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2037			\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2038			\$7.00	(\$3.00)	\$ 4.00	(2,100)		
2039			\$7.00	(\$3.00)	\$ 4.00	(2,100)		
	\$ 242,014					(\$42,000)		

Exhibit C-2
Restated Friant Surcharge Reduction Calculation

**Friant Contractor:
San Joaquin River Restoration Act**

So. San Joaquin MUD

Average Annual Delivery - Forecasted for 2020-2039*	88,750
Total Projected deliveries (over 20 yr period)**	
Article 7(c)	1,775,000
20 yr CMT as of 10/1/2010	3.400%
1/2 20 yr CMT as of 10/1/2010	1.700%
 Irrigation Portion of Existing Capital Obligation	 \$24,917,004
NPV at Half CMT (Repayment Obligation)	\$20,973,725
NPV at Full CMT	\$17,867,818
Financing Cost Offset: [Ⓢ] (Article 7(c)(1))	\$3,105,907
NPV of FS Reduction	\$2,826,249
Difference between Financing Cost Offset and NPV of F5 Reduction	\$279,658
2020 Other Obligation Credit (FV of difference) (Art. 7(c)(2))***	\$377,843

Irrigation portion of Allocated Capital Cost				CVPIA Friant Surcharges	Reduction in Friant Surcharge			2020 Other Obligation Credit Calculation (Art. 7(c)(2))
Year	Beginning Balance	Straight Line Repayment	Surcharge per Acre-Foot Before Reduction	Friant Surcharge Reduction per Article 7(c)(1)	Friant Surcharge due per A/F after Reduction	Projected Total Annual Credit		
2011	\$ 24,917,004	\$ 1,245,850	\$7.00		\$7.00	0	\$	279,657.88
2012	\$ 23,671,154	\$ 1,245,850	\$7.00		\$7.00	0	\$	289,166.25
2013	\$ 22,425,304	\$ 1,245,850	\$7.00		\$7.00	0	\$	298,997.90
2014	\$ 21,179,453	\$ 1,245,850	\$7.00		\$7.00	0	\$	309,163.83
2015	\$ 19,933,603	\$ 1,245,850	\$7.00		\$7.00	0	\$	319,675.40
2016	\$ 18,687,753	\$ 1,245,850	\$7.00		\$7.00	0	\$	330,544.36
2017	\$ 17,441,903	\$ 1,245,850	\$7.00		\$7.00	0	\$	341,782.87
2018	\$ 16,196,053	\$ 1,245,850	\$7.00		\$7.00	0	\$	353,403.49
2019	\$ 14,950,202	\$ 1,245,850	\$7.00		\$7.00	0	\$	365,419.20
2020	\$ 13,704,352	\$ 1,245,850	\$7.00	(\$3.00)	\$ 4.00	(\$266,250)	\$	377,843.46
2021	\$ 12,458,502	\$ 1,245,850	\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2022	\$ 11,212,652	\$ 1,245,850	\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2023	\$ 9,966,802	\$ 1,245,850	\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2024	\$ 8,720,951	\$ 1,245,850	\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2025	\$ 7,475,101	\$ 1,245,850	\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2026	\$ 6,229,251	\$ 1,245,850	\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2027	\$ 4,983,401	\$ 1,245,850	\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2028	\$ 3,737,551	\$ 1,245,850	\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2029	\$ 2,491,700	\$ 1,245,850	\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2030	\$ 1,245,850	\$ 1,245,850	\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2031			\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2032			\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2033			\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2034			\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2035			\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2036			\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2037			\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2038			\$7.00	(\$3.00)	\$ 4.00	(266,250)		
2039			\$7.00	(\$3.00)	\$ 4.00	(266,250)		
	\$ 24,917,004					(\$5,325,000)		